

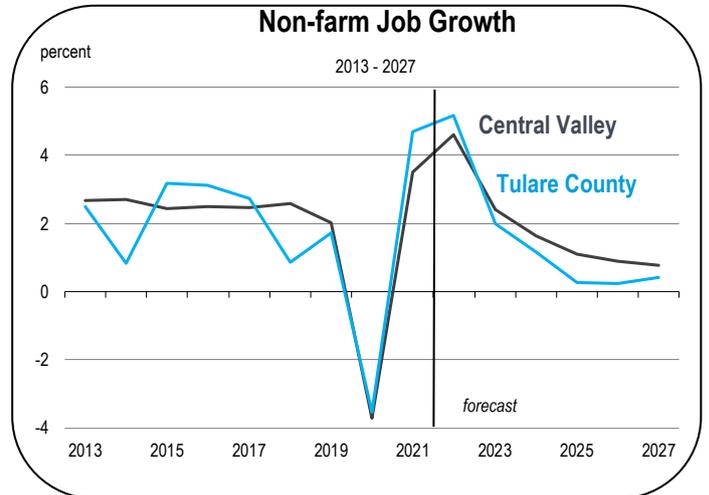
# Tulare County Economic Forecast

## Forecast Summary

- Total wage and salary jobs increased by 5,000 jobs in 2021 and nearly 6,000 jobs in 2022.
- The surge in jobs during 2022 is restoring all of the contraction experienced during the pandemic recession. All sectors have entirely recovered and are creating new jobs except for the public sector and financial activities.
- The unemployment rate will improve to 7.8 percent in 2022.
- The Tulare County population is expected to grow more slowly than the broader Central Valley during the forecast period.
- Home values rose sharply in 2021, increasing by 15 percent. Median selling values for the 2022 year will rise another 10 percent despite the softening in the housing market that became clearly apparent after June.
- More homes will be built over the 2022-2027 period than were built during the previous five years.

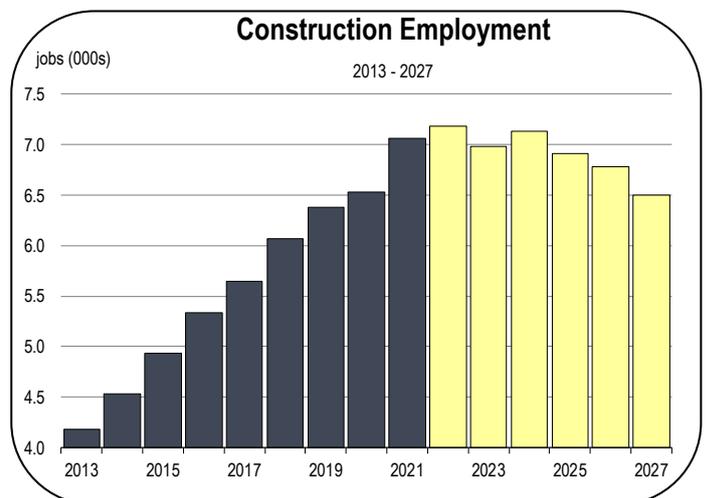
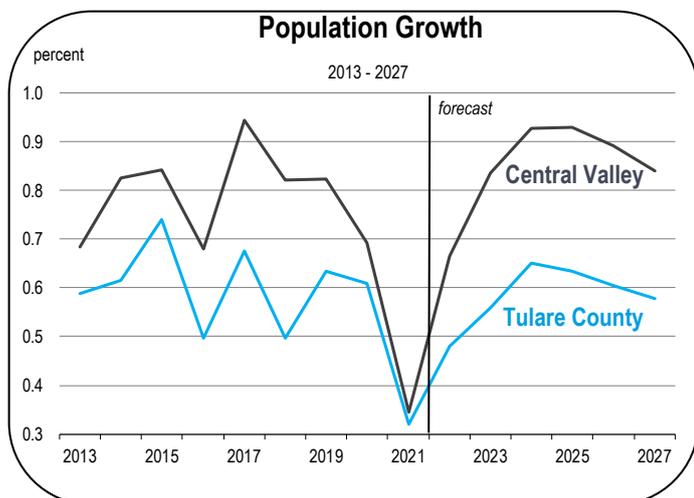
## Job Growth

- Total employment in Tulare County rebounded 4.1 percent in 2021 and is on pace to rise 4.5 percent in 2022.
- The fastest growing sectors in 2022 are transportation and warehousing (13.2 percent), and leisure and hospitality services (14.9 percent).
- Between 2022 and 2027, job growth will average 1.3 percent, below the average for the greater Central Valley region.

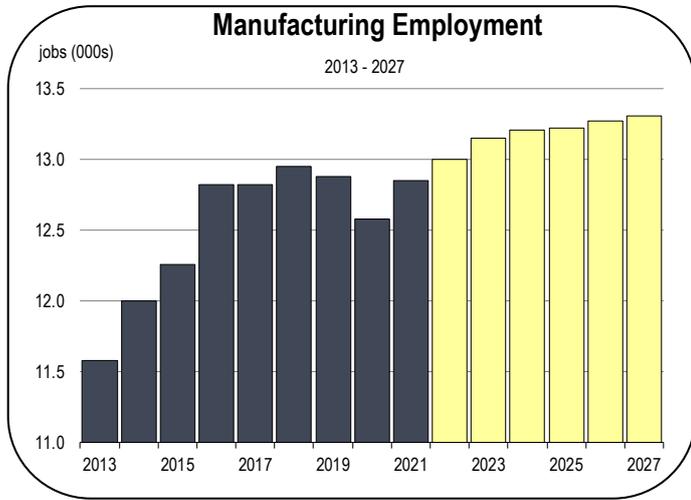


## Construction Employment

- The construction workforce in the county nearly doubled in size since 2012.
- The pandemic did not interrupt this growth trend and several hundred new jobs will be generated in 2022.
- The industry will create 450 new jobs in 2022, pushing the total construction workforce to the highest level ever recorded in the county.
- Over the next 5 years, several thousand new units will be started and completed in the county. Employment within the construction trades will expand through 2024.



# Tulare County Economic Forecast

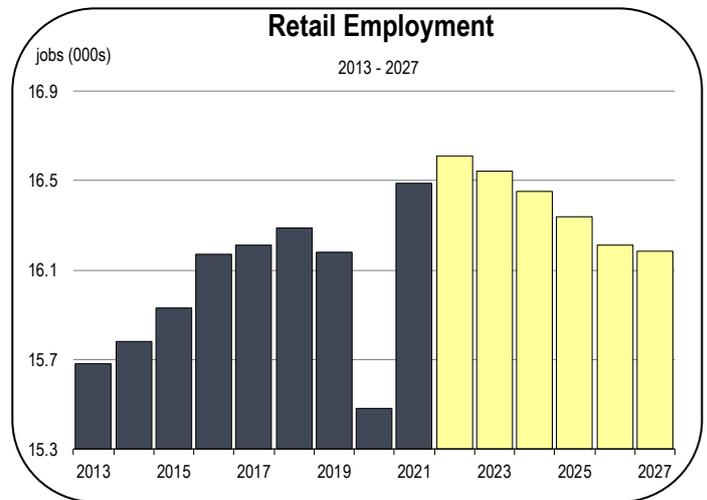
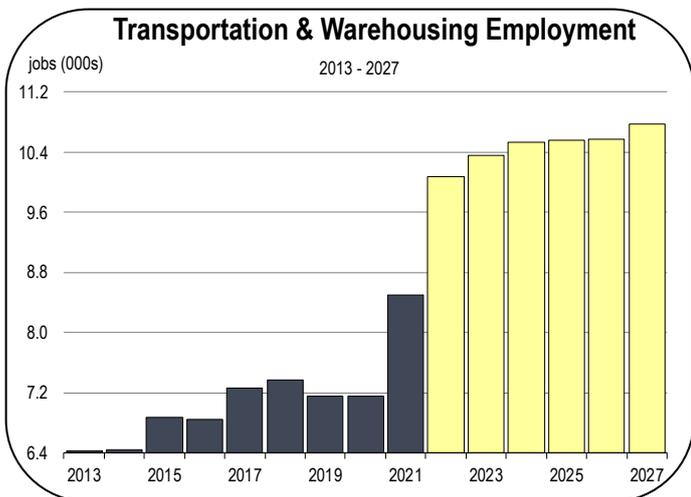


## Manufacturing Employment

- Employment in non-durable manufacturing restores all of the jobs lost in 2020 during 2022. Food processing will remain a viable and growing manufacturing sector for Tulare County for the indefinite future.
- The county is the location of major manufacturing/food companies, including Jostens, International Paper, Sonoco, Green Power Bus, California Dairies, Saputo Cheese, Kraft Foods, Ruiz Foods, DryVit, Land O' Lakes, Svenhards and Kawneer.

## Transportation and Warehousing Employment

- The sector is on pace to create 1,000 jobs in 2022, following a surge of 2,270 jobs created in 2021.
- Walmart is the largest employer in this sector with an estimated 1,692 workers at its 1.2 million square foot distribution center in Porterville.

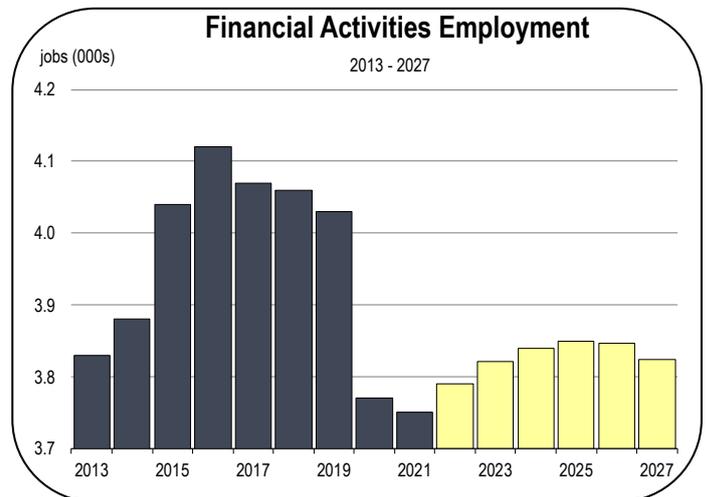


## Retail Trade Employment

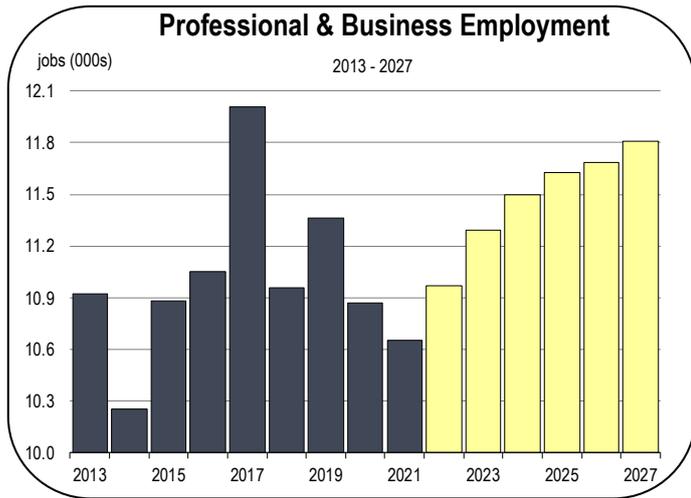
- Employment in the retail sector reaches new highs in 2022 but the longer-term pattern of retail consolidation that is forecast for most of California will not only limit but reduce retail jobs in Tulare County over the indefinite future.

## Financial Activities Employment

- Since 2016, there has been no net growth in finance/insurance/real estate jobs in the county.
- The fallout in total employment that occurred in 2020 continued into 2021. A minor recovery was underway during the first half of 2022.
- The recent pattern of consolidation will generally persist over the forecast.
- Cigna Health Care is a major employer with 700 workers in their insurance claims processing center in Visalia.



# Tulare County Economic Forecast

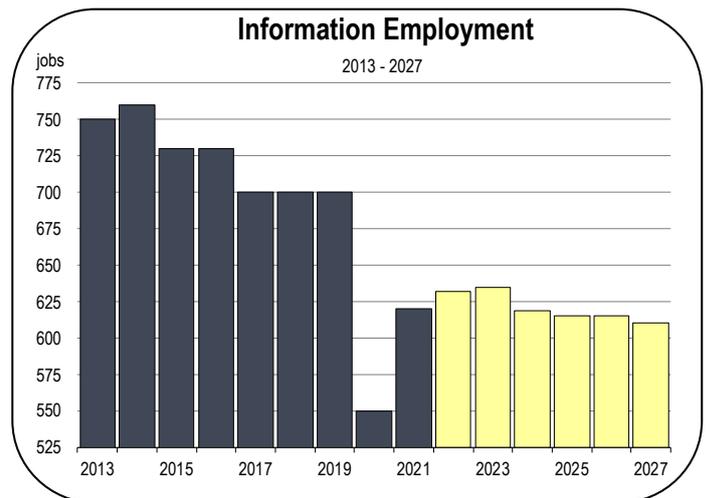


## Professional and Business Services Employment

- The professional and business services industry contracted by 2 percent in 2021, accounting for a loss of 200 jobs.
- The professional and business services sector is destined to create a major share of future jobs in the county over the next several years because of the growth in professional and technical sector jobs, especially in areas with available and affordable housing.

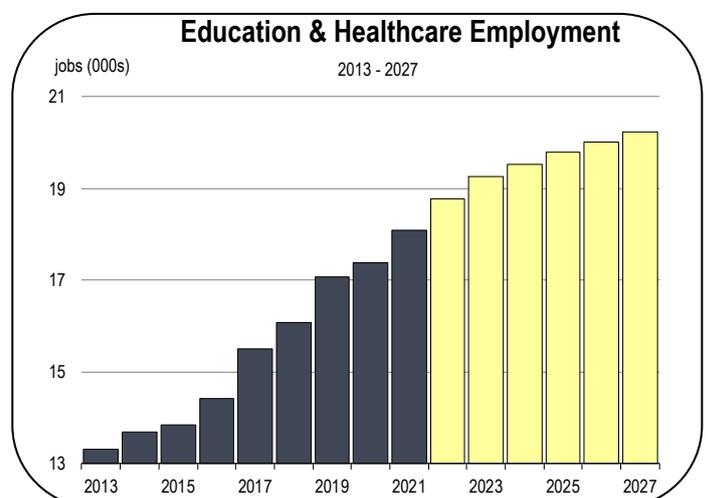
## Information Employment

- In Tulare County, the information sector is largely comprised of movie theaters, newspaper publishers, and telecommunications companies like Comcast.
- The decline in job opportunities in information is the consequence of changing technologies that have resulted in downsizing the domestic telecommunications industry, cable and subscription programming, movie theaters, and newspaper publishing.
- This is no less true for the Tulare County information market, and no net job growth is expected through 2027.

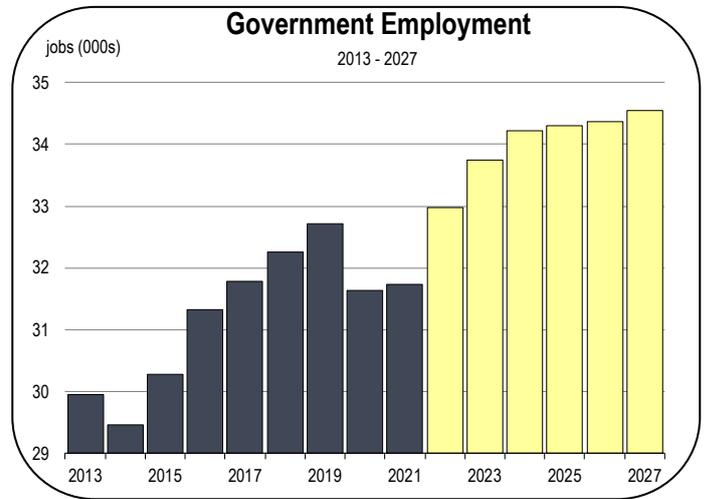
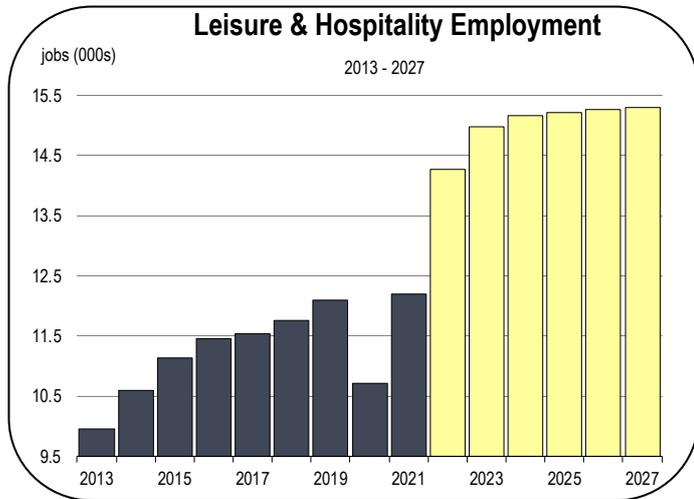


## Private Education and Healthcare Employment

- The sector is nearly all healthcare which is the largest private sector industry employer in the county.
- In fact, the two largest private employers in the County are Kaweah Delta Health Care and Sierra View District Hospital. Respectively, they employ an estimated 2,000 and 1,800 workers.
- Healthcare will add 700 new jobs in 2022 and another 1,500 through 2027.



# Tulare County Economic Forecast



## Leisure and Hospitality Employment

- The sector has bounced back sharply from the calamity of 2020, creating 1,500 jobs in 2021 and 1,800 jobs in 2022.
- Because the casinos attract more visitors to the county, and together with positive population growth, leisure, hospitality, and recreation employment will expand over time.

## Government Employment

- State and local government departments including the K-12 schools will add 1,000 workers to total public sector employment in 2022.
- Because the Tule River Indian Tribe is a governmental agency, its employees are classified into the government sector, including workers at the Eagle Mountain Casino.

- The 1,200-slot machine Eagle Mountain Casino is one of the largest employers in the county, located in Porterville. The Casino is fully operational again and now open 24 hours a day.
- The Tule River Indian Tribe received approval from the Bureau of Indian Affairs in December 2020 to relocate the Casino from its reservation to other reservation land in the City of Porterville.
- Groundbreaking for the new venue occurred in April of 2021. When it opens in early 2023, the new casino will employ an estimated 360 workers. A new Eagle Mountain hotel and convention center will open later at the site, likely in 2024.

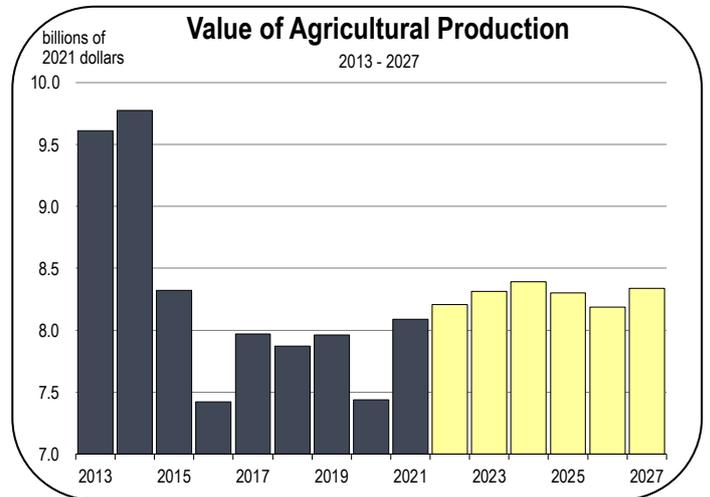
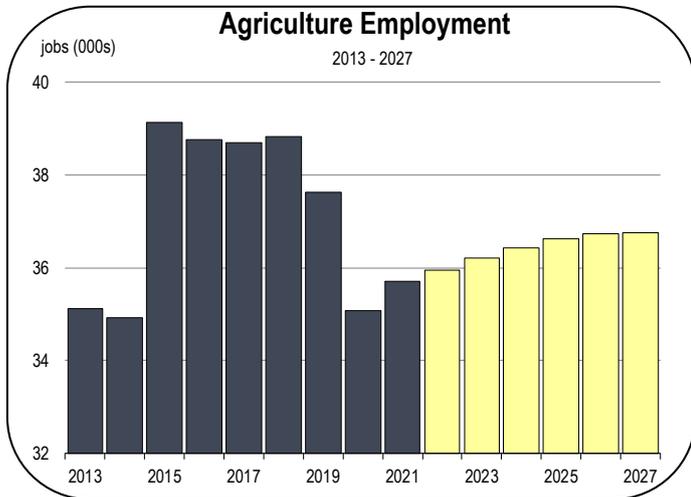
## Farming

- The farm sector accounts for 22 percent of the total labor market in Tulare County.
- Over time however, total farm employment has been subject to consolidation due to automation. Total farm product sales has been relatively constant since 2016, within a range of \$7 to \$8 billion annually.



The New Eagle Mountain Casino, nearly ready to open.  
December 2022

# Tulare County Economic Forecast



- Tulare County is the largest dairy-producing county in the nation. Milk is the leading agricultural crop in the county, accounting for 23 percent of total farm value. Fruit and nut crops, and in particular, pistachio nuts and tangerines generate more than a half billion dollars in annual sales
- Farming is forecast to remain an important engine of growth in Tulare County, along with food products processing and distribution.

- The presence of a large farming industry contributes to other parts of the economy, including the leisure and hospitality industries which benefit from an influx of visitors that descend upon the county for the World Ag Expo.

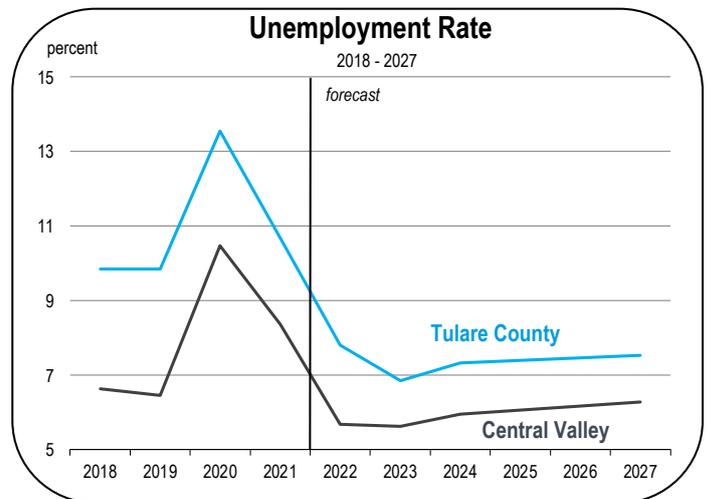
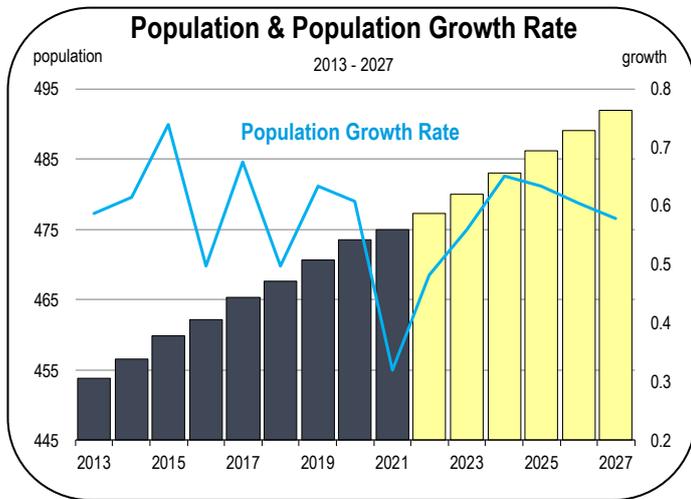
## Population Growth

- Tulare County has a young population with a high birth rate. Between 2022 and 2027, the natural increase (the difference between births and deaths) is expected to add an average of 2,800 new residents to the population each year. New in-migrating populations, however, are expected to be minimal.



The International Agri-Center is home to World Ag Expo, annually starting on the 2nd Tuesday in February. An annual attendance of over 100,000 people from 70 countries attend World Ag Expo each year. The largest annual agricultural show of its kind, the event hosts 1,500 exhibitors displaying cutting-edge agricultural technology and equipment on 2.6 million square feet of show grounds.

# Tulare County Economic Forecast

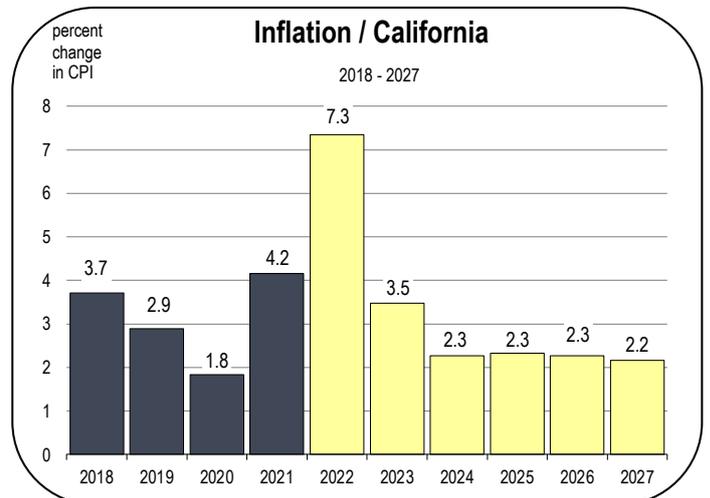
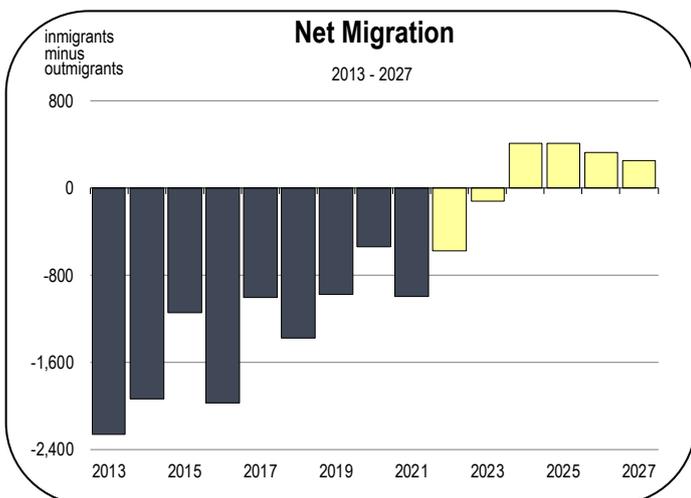


- Net migration has been negative every year since 2010. Between 2022 and 2027, the forecast has net in-migration turning slightly positive, but in general, population is not expected to grow due to a wave of in-migration into Tulare County.
- The population expands at an annual average rate of 0.6 percent from 2022 to 2027. For the greater Central Valley region, population will grow at a rate of 0.9 percent per year. The population of Tulare County will approach the 500,000-resident threshold by 2027.

- Inflation decelerated sharply in 2020, largely because energy prices declined when the demand for fuels plunged.
- Inflation soared in 2021 and is expected to remain elevated for several years.
- During 2022 and into 2023, there will be a number of factors that will contribute to higher inflation. The most prominent will be:
  - Record spending by consumers and the federal government during 2021 and 2022
  - Fractures in the global supply chain that raise the cost of production for many businesses
  - Sharp increases in the cost of housing and energy
  - Labor market recruitment challenges that force companies to raise wages

## Unemployment and Inflation Rates

- The unemployment rate in Tulare County averaged 10.6 percent in 2021. An unemployment rate below 10.0 percent signifies a fully employed workforce in Tulare County.
- The unemployment rate is expected to average 7.8 percent in 2022, and 6.8 percent in 2023.

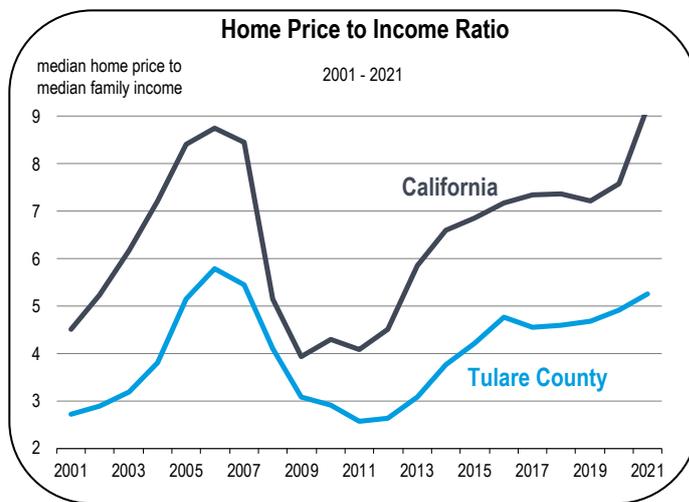


# Tulare County Economic Forecast

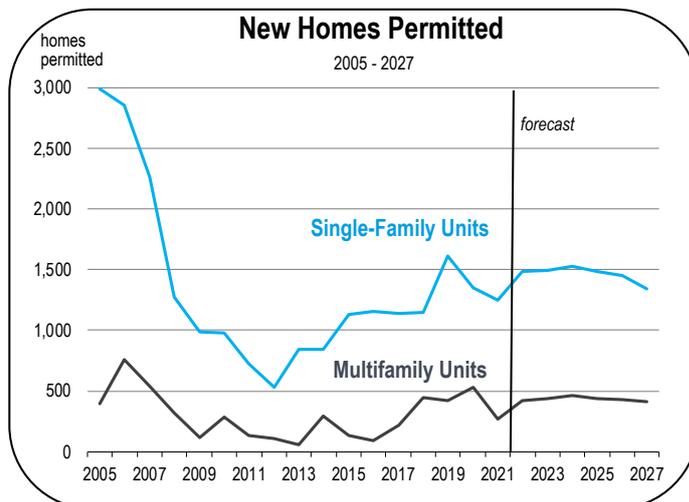
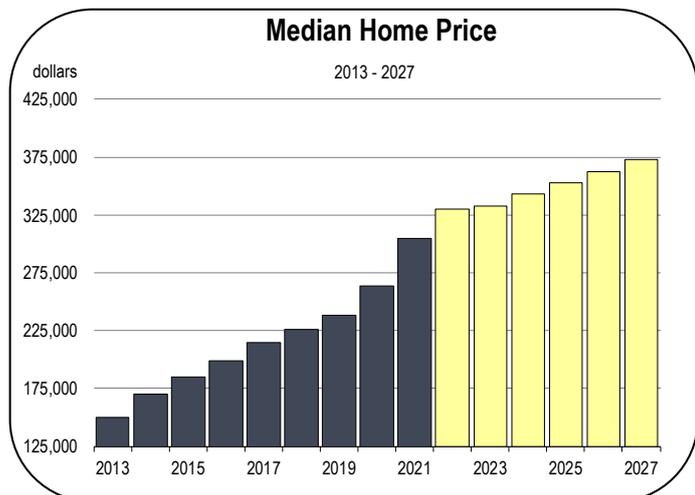
- Combined, these factors have pushed inflation to its highest rate in 40 years. Ultimately, inflation reduces the purchasing power of households and negatively impacts consumer confidence, limiting the growth potential of the economy in 2022.
- However, inflation will begin to decelerate after 2022 as supply chains and the labor force are restored, eventually falling to below 3 percent again by 2024.

## Home Prices and New Housing Production

- In 2021 the median home value in Tulare County jumped 15.2 percent to \$304,300. By June of 2022, the median selling value of homes sold had further soared to \$378,000. Since June however, prices have contracted, with the median at \$357,000 for the July to November period.
- Homes in Tulare County are more affordable than homes across California, especially Coastal California.
- In Tulare County, the typical household spends less than 25 percent of its pre-tax income on mortgage payments or rent.
- Along Coastal California the typical household spends more than 35 percent of income on housing costs, and in very expensive markets like San Francisco, housing costs often account for more than 50 percent of income.
- From 2016 to 2021, an average of 1,400 new homes were started per year in Tulare County. Approximately 80 percent of units built from 2016 to 2021 were single-family homes.
- Housing production is expected to average 1,900 units per year from 2022 to 2027, consisting mostly of single-family homes.
- Housing construction will predominantly come from small projects rather than large master-planned communities.



- The housing development pipeline has been filling in the City of Tulare. According to the Mayor, over 2,500 homes are now approved, being graded, or under vertical construction.
- Besides housing, the City of Tulare is also in the process of executing an ambitious downtown redevelopment plan:
  - \$5 million to redevelop Zumwalt Park with an amphitheater, dog park and splash pad
  - \$1.3 million to provide new office space and assistance to small businesses
  - \$2 million to build a homeless shelter
  - \$1 million to downtown rehabilitation grants
  - \$100,000 to update the downtown master plan
  - Remodel and repurpose of Tulare Courthouse



# Tulare County Economic Forecast

- In May the city approved a professional services agreement with MIG Inc. to prepare a downtown masterplan update.
- New housing has been scarce in the city of Visalia for years. However, in 2022, 287 apartment units have been permitted with nearly 500 more apartment units currently under review. Over the past 10 years, Visalia has permitted a grand total of 862 apartment units.
- The two apartment buildings under review are Caldwell and Packwood apartments. Caldwell Apartments are planned to be comprised of 342 affordable units. Packwell Apartments plan calls for a 144-unit apartment complex.
- Visalia is also growing rapidly in new industrial/commercial space. Below is a list of notable new industrial space in planning:
  - 535,00 square feet Ace Hardware distribution center
  - 1.55 million square feet development from YS Industries
  - 2 million square feet complex by Greenfield Partners
- Already approved projects include a 312,000 square foot warehouse by Fowler Packing and 2.7 million more square feet is coming to the Visalia Industrial Park by CapRock.
- CapRock is planning to build four new concrete tilt-up buildings that are predicted to employ an estimated 2,000 workers. CapRock is also currently constructing a 1.1 million square foot warehouse.



Visalia Industrial Park Owned by CapRock

# Tulare County Economic Forecast

## Economic Indicators

## 2015-2021 History, 2022-2050 Forecast

	Population (people)	House- holds (thousands)	Net Migration (people)	New Homes Permitted (homes)	Registered Vehicles (thousands)	Personal Income (billions)	Taxable Retail Sales (billions)	Total Taxable Sales (billions)	Real Industrial Production (billions)	Real per Capita Income (dollars)	Unemployment Rate (percent)	Real Farm Production (billions)	Inflation Rate (percent)
2015	459,935	134.6	-1,143	1,261	377	\$17.5	\$4.0	\$6.3	\$2.6	\$44,084	11.7	\$8.3	1.4
2016	462,223	135.7	-1,971	1,254	390	\$18.3	\$4.4	\$6.7	\$2.5	\$44,755	11.2	\$7.4	2.3
2017	465,343	136.8	-1,001	1,358	394	\$18.9	\$4.9	\$7.2	\$2.6	\$44,607	10.5	\$8.0	3.0
2018	467,656	138.1	-1,381	1,593	400	\$19.2	\$5.1	\$7.4	\$2.5	\$43,590	9.8	\$7.9	3.7
2019	470,619	139.4	-981	2,028	414	\$20.5	\$5.3	\$8.0	\$2.5	\$45,017	9.9	\$8.0	2.9
2020	473,482	140.8	-538	1,881	422	\$22.3	\$7.2	\$9.7	\$2.5	\$47,787	13.6	\$7.4	1.8
2021	474,998	142.6	-998	1,522	435	\$24.1	\$8.0	\$11.2	\$2.6	\$49,281	10.7	\$8.1	4.2
2022	477,283	144.2	-579	1,906	449	\$25.0	\$7.3	\$11.4	\$2.7	\$47,415	7.8	\$8.2	7.3
2023	479,950	146.1	-118	1,935	457	\$26.2	\$7.5	\$11.5	\$2.7	\$47,851	6.9	\$8.3	3.5
2024	483,071	148.0	409	1,992	462	\$27.1	\$7.6	\$11.6	\$2.8	\$48,070	7.3	\$8.4	2.3
2025	486,135	150.0	410	1,924	464	\$28.0	\$7.7	\$11.8	\$2.8	\$48,234	7.4	\$8.3	2.3
2026	489,077	152.0	329	1,886	465	\$29.1	\$7.8	\$12.0	\$2.8	\$48,657	7.5	\$8.2	2.2
2027	491,906	153.9	249	1,755	467	\$30.4	\$7.9	\$12.1	\$2.8	\$49,445	7.5	\$8.3	2.3
2028	494,633	155.6	195	1,621	468	\$31.5	\$8.0	\$12.3	\$2.8	\$49,839	7.6	\$8.4	2.2
2029	497,336	157.3	216	1,525	469	\$32.6	\$8.2	\$12.5	\$2.8	\$50,191	7.6	\$8.5	2.3
2030	500,031	158.8	243	1,491	471	\$33.8	\$8.5	\$12.9	\$2.8	\$50,598	7.6	\$8.6	2.2
2031	502,668	160.3	256	1,446	472	\$35.0	\$8.6	\$13.1	\$2.8	\$51,035	7.6	\$8.7	2.1
2032	505,260	161.8	264	1,402	474	\$36.1	\$8.8	\$13.5	\$2.8	\$51,278	7.6	\$8.8	2.3
2033	507,816	163.2	272	1,360	475	\$37.4	\$9.0	\$13.7	\$2.8	\$51,804	7.6	\$9.0	1.9
2034	510,332	164.6	278	1,319	477	\$38.7	\$9.2	\$14.0	\$2.8	\$52,259	7.6	\$9.2	2.1
2035	512,811	165.9	284	1,280	478	\$40.0	\$9.5	\$14.4	\$2.9	\$52,690	7.6	\$9.1	2.2
2036	515,260	167.2	295	1,254	479	\$41.5	\$9.8	\$14.8	\$2.9	\$52,909	7.6	\$9.1	2.6
2037	517,669	168.4	301	1,229	481	\$42.9	\$10.0	\$15.3	\$2.9	\$53,101	7.6	\$9.2	2.7
2038	520,049	169.7	307	1,204	482	\$44.5	\$10.3	\$15.7	\$2.8	\$53,409	7.6	\$9.3	2.5
2039	522,391	170.9	311	1,180	483	\$46.0	\$10.6	\$16.1	\$2.8	\$53,615	7.6	\$9.4	2.7
2040	524,671	172.1	317	1,156	485	\$47.6	\$10.9	\$16.6	\$2.8	\$53,844	7.6	\$9.5	2.6
2041	526,896	173.2	322	1,133	486	\$49.3	\$11.1	\$17.0	\$2.8	\$54,240	7.6	\$9.6	2.2
2042	529,085	174.4	328	1,111	487	\$50.9	\$11.4	\$17.3	\$2.8	\$54,663	7.6	\$9.5	2.1
2043	531,224	175.5	333	1,089	488	\$52.5	\$11.6	\$17.7	\$2.8	\$55,097	7.6	\$9.6	2.0
2044	533,324	176.6	337	1,067	490	\$54.2	\$11.8	\$18.0	\$2.8	\$55,602	7.6	\$9.7	1.8
2045	535,362	177.7	342	1,045	491	\$55.9	\$12.1	\$18.4	\$2.8	\$56,030	7.6	\$9.7	1.9
2046	537,331	178.7	345	1,024	492	\$57.5	\$12.4	\$18.8	\$2.8	\$56,368	7.6	\$9.7	2.0
2047	539,215	179.8	349	1,002	493	\$59.2	\$12.6	\$19.2	\$2.8	\$56,570	7.6	\$9.8	2.2
2048	541,031	180.8	352	981	494	\$60.9	\$13.0	\$19.7	\$2.8	\$56,716	7.6	\$9.9	2.3
2049	542,762	181.8	356	959	495	\$62.7	\$13.2	\$20.2	\$2.8	\$57,026	7.6	\$10.0	2.0
2050	544,398	182.7	359	938	496	\$64.5	\$13.6	\$20.6	\$2.8	\$57,285	7.6	\$10.0	2.1

## Employment Sectors

## 2015-2021 History, 2022-2050 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities (thousands of jobs)	Professional Services	Information	Health & Education	Leisure	Government
2015	157.3	39.1	4.9	12.3	6.9	19.9	4.0	10.9	0.7	13.8	11.1	30.3
2016	160.6	38.8	5.3	12.8	6.9	20.3	4.1	11.1	0.7	14.4	11.5	31.3
2017	163.9	38.7	5.7	12.8	7.3	20.4	4.1	12.0	0.7	15.5	11.5	31.8
2018	165.1	38.8	6.1	13.0	7.4	20.6	4.1	11.0	0.7	16.1	11.8	32.3
2019	166.1	37.6	6.4	12.9	7.2	20.6	4.0	11.4	0.7	17.1	12.1	32.7
2020	159.0	35.1	6.5	12.6	7.2	19.8	3.8	10.9	0.6	17.4	10.7	31.6
2021	165.5	35.7	7.1	12.9	8.5	20.8	3.8	10.7	0.6	18.1	12.2	31.7
2022	172.4	35.9	7.2	13.0	10.1	21.0	3.8	11.0	0.6	18.8	14.3	33.0
2023	175.4	36.2	7.0	13.1	10.4	20.9	3.8	11.3	0.6	19.3	15.0	33.7
2024	177.2	36.4	7.1	13.2	10.5	20.8	3.8	11.5	0.6	19.5	15.2	34.2
2025	177.8	36.6	6.9	13.2	10.6	20.7	3.8	11.6	0.6	19.8	15.2	34.3
2026	178.3	36.7	6.8	13.3	10.6	20.6	3.8	11.7	0.6	20.0	15.3	34.4
2027	178.9	36.8	6.5	13.3	10.8	20.6	3.8	11.8	0.6	20.2	15.3	34.5
2028	179.4	36.8	6.2	13.4	10.9	20.4	3.8	12.0	0.6	20.5	15.4	34.7
2029	179.7	36.9	6.0	13.4	10.9	20.4	3.8	12.0	0.6	20.7	15.5	34.8
2030	180.2	37.0	5.9	13.4	10.8	20.4	3.7	12.1	0.6	20.9	15.5	34.9
2031	180.8	37.1	5.9	13.5	10.8	20.5	3.7	12.1	0.6	21.0	15.6	35.0
2032	181.3	37.2	5.8	13.5	10.8	20.5	3.7	12.2	0.6	21.2	15.7	35.1
2033	181.8	37.4	5.8	13.5	10.8	20.5	3.6	12.2	0.6	21.4	15.8	35.2
2034	182.3	37.5	5.7	13.5	10.7	20.5	3.6	12.3	0.6	21.6	15.9	35.3
2035	182.8	37.7	5.7	13.5	10.7	20.5	3.6	12.3	0.6	21.8	15.9	35.3
2036	183.3	37.8	5.6	13.5	10.8	20.5	3.6	12.3	0.6	21.9	16.0	35.4
2037	183.8	37.9	5.6	13.5	10.8	20.5	3.6	12.4	0.6	22.1	16.1	35.5
2038	184.3	38.0	5.6	13.5	10.9	20.5	3.6	12.4	0.6	22.3	16.2	35.6
2039	184.7	38.1	5.6	13.4	10.9	20.5	3.6	12.5	0.6	22.4	16.3	35.7
2040	185.2	38.2	5.5	13.3	11.0	20.5	3.5	12.5	0.6	22.6	16.3	35.7
2041	185.6	38.3	5.5	13.3	11.1	20.5	3.5	12.5	0.6	22.7	16.4	35.8
2042	186.1	38.5	5.5	13.3	11.1	20.5	3.5	12.6	0.6	22.8	16.5	35.9
2043	186.5	38.5	5.5	13.3	11.2	20.5	3.5	12.6	0.6	23.0	16.6	36.0
2044	186.9	38.6	5.4	13.2	11.2	20.5	3.5	12.6	0.6	23.1	16.7	36.1
2045	187.3	38.7	5.4	13.2	11.3	20.5	3.5	12.7	0.6	23.2	16.7	36.1
2046	187.8	38.7	5.4	13.2	11.3	20.4	3.5	12.7	0.6	23.4	16.8	36.2
2047	188.1	38.8	5.4	13.2	11.4	20.4	3.5	12.7	0.6	23.5	16.9	36.3
2048	188.5	38.9	5.3	13.2	11.4	20.4	3.5	12.7	0.6	23.6	17.0	36.4
2049	189.0	38.9	5.3	13.2	11.4	20.4	3.5	12.8	0.6	23.7	17.0	36.5
2050	189.3	39.0	5.3	13.2	11.5	20.4	3.5	12.8	0.6	23.8	17.1	36.5

# Tulare County Economic Forecast

## Socioeconomic Indicators

